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Governor pushes housing reform

Debate tackles need for homes, nature

By Lisa Mascaro

March 13, 2005 - Tackling California's housing crisis head-on, Gov. Arnold Schwarzenegger has launched a daring effort to change the Golden State's legendary land-use law, a weapon environmentalists have used for decades to fight development.

The Republican governor during the past month has appointed prominent community leaders to advisory panels tasked with providing input on legislation to change parts of the California Environmental Quality Act and related issues in order to spur housing construction.

At the same time, Democrats in the Senate have begun crafting a package of bills designed to loosen aspects of the environmental law for certain developments and provide cities with incentives to focus on infill projects instead of sprawl.

"We're starting out with a recognition that this is not about gutting the California Environmental Quality Act. This is not about doing away with the law. This is about making it work better," said Mike Chrisman, Schwarzenegger's resources secretary.

"The governor, in his State of the State (speech), made it very clear we need to take a look at housing, the regulatory hurdles. Our goal, in the end, is to have some ... improvement to the Environmental Quality Act without reducing the overall intent of the law."

Known as CEQA, the landmark legislation signed into law by then-Gov. Ronald Reagan in 1970 requires governments to identify - and avert or mitigate - the negative impact of proposed development. Typically, a development's problem spots and solutions are spelled out in inches-thick environmental impact reports, which are public documents that have to be approved by local government officials before a project can proceed.

Environmentalists used CEQA to fight the 3,050-home Ahmanson Ranch project proposed for eastern Ventura County and to convince developers to reduce the number of homes in the massive Newhall Ranch project to be built north of the San Fernando Valley.

But with housing prices now at record highs - the median price for a home in the San Fernando Valley was \$521,000 in January - advocates say the time has come to review California's planning issues.

"California has a legitimate housing crisis, and how are you going to address that? How are we going to preserve the California dream?" said Robert Oakes, press deputy to Sen. Tom Torlakson, D-Concord, who chairs the Senate's newly combined Transportation and Housing Committee.

"There's a feeling among Senate Democrats that CEQA is being abused ... It wasn't put in place to prevent working people from getting a house. NIMBYs are shutting down too many reasonable housing projects - at the same time, we have a housing crisis."

But environmental activists and local government officials worry that changes in CEQA and other land-use regulations are coming too quickly - before other measures that would guarantee infrastructure and environmental protections are in place.

They worry the public will have to pay for new roads, sewers and schools while builders get carte blanche to build the 250,000 new homes a year that the administration seeks.

Bill Allayaud, state director of the Sierra Club, said the governor appears to be retreating from campaign promises to champion "smart growth" - which calls for building infill projects in urban areas and near transit systems instead of gobbling up green space.

"We've got an extremely popular leader who promised us smart growth when he was running ... who could finally break the gridlock in the Legislature and plan for growth," said Allayaud, who is on the CEQA advisory committee.

"Their emphasis remains, from the governor on down, to build, build, build. Until we see aspects on saving farmland, habitat and providing affordable housing ... we're not pulling up the drawbridge and saying this is a war ... We just hope that a perceived bias toward the building industry is not reality."

The governor plans to back a package of bills being crafted this session addressing housing reforms and some initial CEQA changes, though many of the details are still being worked out.

The discussions so far have pointed to legislation that would have cities and counties do more planning for housing up front and limit the attacks that can be waged on individual projects if they meet the plans, those involved said.

DeAnn Baker, a legislative representative for the California State Association of Counties, welcomes the governor's attention on growth issues but worries the administration's push for more housing overshadows the rest of the picture.

"From our perspective, it's more than just a housing crisis; it's an infrastructure crisis," said Baker, who is serving on the housing committee.

"You already have public resistance to growth or new residents. If you continue to just force housing in areas without infrastructure and quality-of-life issues that impact the different neighborhoods ... you're just exacerbating the situation."

The governor's interest in confronting growth is a sea change after decades of declining quality of life for millions of California residents stuck in traffic, unable to buy homes and lacking civic amenities such as parks, schools and services.

With 500,000 new residents expected in the state each year, planners, city officials, environmentalists and builders concur that something must be done to better accommodate growth in California. Among some, there are high hopes that Schwarzenegger can do the job.

"This is the first time since I've been in the state that you have a governor, executive leadership, saying, "I want to deal with these processes.' That's a real breakthrough," said Mark A. Pisano, executive director of the Southern California Association of Governments.

Pisano said better planning is needed, especially when his agency's annual State of the Region report gives Southern California near-failing grades in transportation, housing and other quality-of-life issues.

"Someone's finally recognized we have to put something on the table and start debating it," he said. "Now, can we get some reforms through this legislative cycle?"

He notes the governor has already touted a package of transportation bills that would streamline building requirements for Caltrans and open highway development to private companies that could charge tolls for solo motorists to ride in car-pool lanes.

"This is a governor who is and continues to be very bold," said Lucy Dunn, director of the state's Department of Housing and Community Development, which is working on the housing package. "We've been asked to move rather quickly."

On the CEQA panel, many involved said they agree with proposals being discussed to streamline that process for urban infill development if projects meet certain requirements or fit long-term planning documents.

They know that lengthy environmental reviews and subsequent legal action by activists can dissuade developers.

But they remain staunch defenders of the law.

"My organization is very open to how we can facilitate more and better development in urban areas - because we know it's going to be necessary - without disempowering the public and causing all sorts of traffic and environmental impacts that aren't going to be mitigated," said Karen Douglas, acting executive director of the statewide Planning and Conservation League.

"CEQA is not the cause of the problems our society faces - it's the messenger. The fact that people are voicing these very real frustrations through the Environmental Quality Act doesn't mean you take away the Environmental Quality Act and they go away."

On housing reform, one key component being discussed would be to have cities draft new housing elements for their general plan that would designate residential land needed for 10 or 20 years in the future, rather than the standard five years used today.

Some planners welcome the concept as a way to do true long-term planning, but others say there's no way to work so far ahead.

"The goal is to increase supply, increase housing choices, provide for the full spectrum of population, from our neediest to the most luxurious, and to make sure we put it in the right places," Dunn said.

Los Angeles attorney George Kieffer, who represents the Los Angeles Area Chamber of Commerce on the CEQA advisory committee, said the state's interest in tackling these issues is long overdue.

"The population is increasing no matter what we do. If you change the planning and change the location of housing you have a better chance of changing the quality of life. Just burying our heads and pretending it will go away will not work," he said.

"I think that you've got a growing consensus now emerging across the political spectrum -- this cannot be ignored."

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